

Public Hearing on the Proposed Real Property Tax Increase

before

The Honorable Evan Glass
Council President

Montgomery County Council
May 2, 2023

Testimony of Aaron Droller
Silver Spring, Maryland

Good afternoon Council President Glass and members of the Montgomery County Council. My name is Aaron Droller and I am a resident of Silver Spring. Thank you for the opportunity to submit testimony on the County Executive's (CE) proposed ten percent real property tax increase that is part of the CE's Fiscal Year 2024 Budget. I testify today in opposition to the CE's property tax increase.

A property tax increase of this magnitude is regressive and disproportionately harmful to middle and working-class residents that already struggle to afford housing in this county. I know affordable housing is very important to this Council and this tax increase will make living in Montgomery County further out of reach for homeowners and renters alike. Contrary to what some in the community have said, this is not merely an increase of just ten cents or a dime per resident. It is a ten **percent** increase to the rate at which property tax is assessed, which is the maximum permitted by law and one of the largest proposed increases on record. This proposal is on top of sky-high property tax reassessments, punishing inflation, rising mortgage interest rates, and new federally proposed mortgage rules¹ that will further strain the budgets of residents.

While this property tax increase is being sold to the public as money for our educators, it's clear from the budget being presented that this is mere pretext for irresponsible growth of county government across the board.² We all want our educators to be compensated fairly and competitively, but this new revenue would be used to fund other MCPS and government initiatives, and not just teacher compensation. Because dollars are fungible, this tax increase will allow for unrestrained growth in the county government, as shown in the explosive increase proposed FTE's across the executive. While there might be many worthy programs in the CE's

¹ See <https://finance.yahoo.com/news/mortgages-homebuyers-good-credit-cost-135954525.html>. See also, <https://singlefamily.fanniemae.com/media/33241/display>; <https://singlefamily.fanniemae.com/media/9391/display>.

² See, e.g. Press Release, "Unions' Joint Response to Executive Elrich's Budget," March 15, 2023.

proposed budget, the public should not be asked to pay additional taxes at this challenging time to fund any additional administrative bloat at MCPS or within the County government.

It was only about six years ago that the County last raised property taxes and it was also sold to residents, in large measure, for the purpose of increasing the salaries of our educators and decreasing class size. However, only about 38% of that increase went to instructor salaries, with the rest being diverted for other purposes and the objectives promised to residents were not achieved.³ Given this history, and the budget presented by the CE, residents have no assurance that revenue raised from this tax increase will reach its intended recipients or have its intended effect of shoring up our school system. As of April 24th, no other part of this region is so dramatically raising property taxes on its residents coming out of the pandemic, and Montgomery County should not be the exception.⁴

The CE has put forward to this Council a fiscally irresponsible budget. I won't rehash what you already know but using one time funds for ongoing expenses and creating structural deficits is a recipe for fiscal disaster. The growth in County government spending is simply not commensurate with our anemic population and economic growth.⁵ Given the macroeconomic realities we face here, and with a projected recession on the horizon, the County government needs to tighten its belt just like residents do.

This Council needs to right size this government this year, or the decisions that you will be required to make in the future will be that much more painful. Please reject this regressive property tax increase. Thank you for your time and for your service to Montgomery County.

³ See <https://montgomeryperspective.com/2023/03/31/pay-the-teachers-part-five/>.

⁴ See <https://montgomeryperspective.com/2023/04/24/is-anyone-else-getting-a-big-tax-hike/>.

⁵ See <https://www.fox5dc.com/news/data-shows-montgomery-county-residents-are-leaving-for-frederick-county>.